

County of San Luis Obispo

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DAN BUCKSHI
COUNTY ADMINISTRATOR

TO: Board of Supervisors

FROM: Dan Buckshi, County Administrator

DATE: September 9, 2014

SUBJECT: Fiscal Year 2014-15 Final Budget Actions

The Auditor-Controller's Office is responsible for estimating Fund Balance Available (FBA) as part of the proposed budget process and for calculating the actual FBA after the books close at the end of the fiscal year. An estimated FBA of \$28.7 million was used in calculating the FY 2014-15 proposed General Fund budget. When the County's books closed in August, actual FBA for the General Fund was \$8.2 million higher than estimated. Please refer to the Auditor's Office staff report for an explanation of how estimated and actual FBA is calculated and why the variance occurred.

The Administrative Office has the responsibility for making recommendations to your Board regarding the use of any additional General Fund FBA. As noted above and in the Auditor's Office staff report, FBA was \$8.2 million higher than budgeted. The additional FBA is recommended to be allocated as follows:

- \$1,500,000 allocated to the Pension Obligation Bond (POB) repayment designation in to help pay down pension debt;
- \$400,000 allocated to General Fund contingencies;
- \$1,250,000 allocated to Tax Reduction Reserve Fund designation;
- \$1,250,000 allocated to County Automation Replacement- Automation Replacement designation;
- \$350,000 allocated to the Pension Obligation Debt Service Fund;
- \$250,000 allocated to Organizational Development – Countywide Training designation;

- \$3,152,367 allocated to General Government Building Replacement – Building Replacement designation.

The allocation of the additional FBA is intended to be one-time and not a commitment to ongoing, additional allocations due to the one-time nature of FBA.